

ELIGIBILITY INFORMATION REQUIRED FOR PLP SUBMISSION Rev. 8/01/08

1. Fill out all of this section. If a question in this section is answered "No," the loan is not eligible.

Applicant Name _____
Lender Name _____
Purpose of Loan _____
Describe Type of Business _____

Applicant is an operating business organized for profit, is located in United States, has demonstrated a need for the desired credit, and the desired credit is not otherwise available on reasonable terms from non-Federal sources. YES___NO___
The products and/or services of the Applicant business are available to the general public. YES___NO___

Size

Primary industry of Applicant _____ NAICS Code of Applicant _____
Average annual receipts of Applicant Business (excluding affiliates) over last 3 completed fiscal years _____
No. of employees of Applicant Business _____, SBA size standard for Applicant _____
The combined size calculation of applicant and its affiliates meets the size standard for the applicant's primary industry or the size standard for the primary industry of the applicant and its affiliates, whichever is higher. YES___NO___
If size standard is exceeded by no more than 25%, Applicant agrees to use the assistance within a labor surplus area. YES___NO___

CHECK IF APPLICABLE:

___Applicant has possible affiliates. *If checked, provide the following information in attachment to this form:*
(1) List possible affiliates, (2) discuss possible bases of affiliation and (3) determine if affiliation exists.
If affiliation exists, the primary industry of the applicant and its affiliates is _____. The NAICS Code is _____.
The combined average annual receipts over last 3 completed fiscal years or the number of employees for applicant and all affiliates is _____ (depending on the size standard measure for the industry).

___Applicant business has a franchise/license/dealer/jobber or similar agreement.
If checked, answer the following question:
The SBA Franchise Registry lists the franchise/license/dealer/jobber or similar agreement as an approved agreement. YES___NO___

If "No," answer the following statement: You have made the determination that the applicant business has the right to profit and risk of loss commensurate with ownership and there are no excessive restraints on the sale of the franchise/license/dealer/jobber or similar interest. *If "No," loan is not eligible.* YES___NO___

Principals of the Applicant

Lender has assessed the liquid assets of the immediate family (including spouse and dependent children) of each owner of 20% or more of the equity of the Applicant (and of the Operating Company, if the Applicant is an Eligible Passive Company) and determined that they do not exceed:

- for a financing package of \$250,000 or less, two times the total financing package or \$100,000, whichever is greater;
 - for a financing package between \$250,001 and \$500,000, one and one-half times the total financing package or \$500,000, whichever is greater;
 - for a financing package of more than \$500,000, one times the total financing package or \$750,000, whichever is greater.
- YES___NO___

No Associate (an officer, director, owner of more than 20 percent of the equity, or key employee) of the Applicant is incarcerated, on probation, on parole, or under indictment for a felony or a crime of moral turpitude. YES___NO___

All owners of 20 percent or more of the Applicant (including a spouse owning 5 percent or more when the combined ownership of both spouses is 20 percent or more) will guarantee the loan (except for ESOPs or eligible 401(k) Trusts). YES___NO___

All principals of business are either U.S. citizens or non-U.S. citizens whose INS status has been verified by the lender.

YES___NO___

CHOOSE ONE:

___The business is at least 51 percent owned by individuals who are U.S. citizens and/or who have verified Lawful Permanent Resident (LPR) status from INS and control the management and daily operations of the business; OR

___The business is at least 51 percent owned by aliens with a verified status other than LPR, the lender has determined that continual and consistent management of the business has been provided by a U.S. citizen or by a verified LPR for at least one year and will continue indefinitely AND U.S. collateral is pledged sufficient to pay the loan in full at any time. (Businesses less than one year old do not meet these requirements.)

Terms of the Loan

The maturity of the loan does not exceed the maximum allowable by SBA for the use of proceeds and is the shortest appropriate term commensurate with repayment ability of the Applicant.

YES___NO___

SBA guaranty percentage does not exceed 85% for a loan of \$150,000 or less and 75% for any other loan.

YES___NO___

The amount of this loan does not exceed \$2 million.

YES___NO___

CHOOSE ONE:

___The aggregate guaranty amount of the SBA portions for this application and all outstanding 7(a) and 504 loans to Applicant and its affiliates does not exceed \$1.5 million.

___This is a working capital loan request to a borrower that has an International Trade loan approved after 12/7/04. The guaranty amount of this working capital loan does not exceed \$1.25 million, and the guaranty amount of the SBA portions of this working capital loan, the IT loan and all other outstanding 7(a) and 504 loans to Applicant and its affiliates does not exceed \$1.75 million.

The interest rate of the loan does not exceed the maximum amount allowable based on loan maturity and size and if the interest rate is variable, the base rate will be the prime rate in effect on the date SBA receives an acceptable application, printed in the Wall Street Journal or the SBA Optional Peg Rate published in the Federal Register.

YES___NO___

Applicant does not have a non-SBA-guaranteed loan made by any lender at or about the same time for the same or similar purpose as this PLP loan, with a lien position senior to this PLP loan ("Piggyback Loan").

YES___NO___

II. CHECK ANY ITEMS THAT ARE APPLICABLE IN THIS SECTION.

Type of Business

___Applicant is or does one of the following: *If checked, loan is not eligible.*

- primarily engaged in the business of lending
- a passive business that holds real and/or personal property to receive rent or lease income and does not provide sufficient services to deem it active and is not an Eligible Passive Company discussed below
- bail bond company
- life insurance company
- does business in a foreign country (except for loan under the International Trade program)
- pyramid sale distribution plan
- any illegal activity
- principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting.
- consumer or marketing cooperative
- earns 1/3 or more of its gross annual revenue from packaging SBA loans
- derives directly or indirectly more than 5% of its gross revenue through the sale of products or services, or the presentation of any depiction or displays, of a prurient sexual nature or that presents any live performances of a prurient nature
- primarily engaged in political or lobbying activities
- a speculative business (such as oil wildcatting, mining and research & development)

- ___ Applicant is a pawn shop. *If checked, answer the following question. If "No" loan is not eligible.*
 More than 50% of Applicant's income for the previous year was from the sale of merchandise rather than from interest on loans. YES___NO___
- ___ Applicant is a mortgage service company. *If checked, answer the following question. If "No" loan is not eligible.*
 Any mortgage loans funded are sold within 14 days of loan closing. YES___NO___
- ___ Applicant is a business that receives rental income (such as a mini-warehouse or office suite). *If checked, answer the following question. If "No," loan is not eligible.*
 Applicant has provided adequate documentation that at least 50 percent of Applicant's revenue for the prior year is from services provided (not rental income); or if a new business, projections demonstrate that at least 50 percent of Applicant's revenue will be from services provided. YES___NO___
- ___ Applicant is a motel, trailer park, campground or similar type of business. *If checked, answer the following question. If "No" loan is not eligible.*
 Applicant derives 50 percent or more of its gross annual income from transients who stay for periods of time not exceeding 30 days. YES___NO___
- ___ Any of gross annual revenue of Applicant business is derived from gambling. *If checked, answer the following question. If "No" loan is not eligible.*
 The revenue is from legal gambling activities and comprises 1/3 or less of gross annual revenue of Applicant business and the business is not a racetrack, casino or otherwise have gambling as its reason for being. YES___NO___
- ___ Applicant is a private club or business. *If checked, answer the following question. If "No" loan is not eligible.*
 Business does not limit the number of memberships for reasons other than capacity. YES___NO___
- ___ Applicant is a government-owned entity. *If checked, answer the following question. If "No" loan is not eligible.*
 Applicant is business owned or controlled by a Native American tribe, but is a separate legal entity from the tribe. YES___NO___
- ___ Applicant is an Eligible Passive Company (EPC). *If checked, fill in the blanks and answer the following questions. If "No" loan is not eligible. Attach additional sheet with Names and Legal Forms if more than one OC. References below to OC mean each OC.*

Name of Operating Company (OC)_____

Legal Form of Entity of OC_____

- The EPC will use the loan proceeds to acquire or lease, and /or improve or renovate real or personal property (including eligible refinancing) that it leases 100% to one or more OCs. YES___NO___
- The OC is an eligible small business and the proposed use of proceeds would be an eligible use if the OC were obtaining the financing directly. YES___NO___
- The EPC (with the exception of a trust) and the OC each are small under SBA's size standards. YES___NO___
- The EPC is eligible as to type of business, other than being passive. YES___NO___
- The lease between the Eligible Passive Company and the Operating Company will be in writing, will have a remaining term at least equal to the term of the loan (including options to renew exercisable solely by the Operating Company), will be subordinated to SBA's lien on the property and the rents will be assigned as collateral for the loan. YES___NO___
- The OC will be a guarantor or co-borrower. If loan proceeds include working capital or assets to be owned by the OC, it will be a co-borrower. YES___NO___
- Each 20% or more owner of the EPC and each 20% or more owner of the OC will guarantee the loan. YES___NO___
- The aggregate amount of the SBA portions for this application and for all outstanding loans to the EPC, the OC, and their affiliates does not exceed \$1.5 million. YES___NO___
- Neither the EPC nor the OC is a trust or SBA requirements regarding trusts are met. YES___NO___

Use of Proceeds

___ To provide or refinance funds used for payments, distributions, or loans to Associates of the Applicant.
If checked, loan is not eligible.

___ For a purpose that will not benefit the small business. If checked, loan is not eligible.

___ To provide funds for floor plan financing. If checked, loan is not eligible.

___ For debt refinancing. If checked, ATTACH A DEBT SCHEDULE SHOWING THE TERMS OF THE DEBT TO BE REFINANCED AND THE JUSTIFICATION FOR THE REFINANCING. Also, answer the following questions. If "No," loan is not eligible.

- Refinancing will provide a substantial benefit to Applicant of at least 20% needed improvement to cash flow or refinanced debt is short-term, involves a balloon payment, or is a long-term loan that is interest only. If more than one debt is refinanced, the new debt will have at least a 20% cashflow improvement over the combined cashflow of the debt being refinanced. YES___NO___
- Existing debt no longer meets the needs of the Applicant. YES___NO___
- If the loan to be refinanced is between the Applicant and the requesting SBA lender, in addition to the previous two bullets, it meets the following requirements:
The loan to be refinanced was an interim loan approved by the lender
(1) within 90 days prior to the issuance of a PLP loan; AND
(2) was for non-real estate construction purposes OR a construction loan that has not been disbursed. YES___NO___
- Proceeds will not pay a creditor in a position to sustain a loss causing a shift to SBA of all or part of a potential loss from an existing debt. YES___NO___
- Debt to be refinanced is not a same institution SBA-guaranteed loan. YES___NO___
- Loan will not refund debt to an SBIC. YES___NO___
- Loan will not repay third party financing for any existing 504 project. YES___NO___
- Loan will not repay delinquent IRS withholding taxes, sales taxes or similar funds held in trust. YES___NO___

___ To fund or refinance a change in ownership. If checked, answer the following questions. If "No," loan is not eligible.

- The change will promote the sound development or preserve the existence of the Applicant business. YES___NO___
- If the business ownership has been transferred within 36 months prior to the date of the loan application AND the loan amount is over \$250,000, there are two appraisals of any commercial real estate securing the loan. The second appraisal may be a "review" of the first appraisal by another appraiser selected directly by the lender or if the first appraisal was requested by the lender, a site visit by a senior member of the lender's staff. YES___NO___
- Change is 100% of ownership or a business repurchasing 100% of one or more of its owners' interests. YES___NO___
- The loan proceeds will not pay off an SBA-guaranteed loan of the seller with the same lender. YES___NO___

CHOOSE ONE:

___ The 7(a) loan to finance the change of ownership is \$350,000 or less AND there is no close relationship between the buyer and seller. The valuation of the business is supported by at least a lender's valuation. If the valuation analysis is performed by the lender's loan officer, a synopsis is attached.

___ The 7(a) loan to finance the change of ownership is more than \$350,000 OR there is a close relationship between the buyer and the seller. The lender has obtained an independent business valuation from a qualified source.

___ For construction of (or the refinancing of the construction for) a new building.

If checked, answer the following questions. If "No" loan is not eligible.

- If building will contain rental space, Applicant (or Operating Companies) will continue to occupy at least 60% of the rentable property for the term of the loan; lease long term no more than 20% of the rentable property to one or more tenants; plans to occupy within three years some of the remaining rentable property not immediately occupied or leased long term; and plans to occupy within ten years all of the rentable property not leased long term. YES___NO___
- Community improvements do not exceed 5 percent of the loan amount. YES___NO___
- If refinancing a construction loan, the construction loan is not with the same lender. YES___NO___

___ To provide funds for the acquisition of land or existing building or for renovation or reconstruction of an existing building.

If checked, answer the following questions. If "No" loan is not eligible.

- Applicant (or Operating Companies) will occupy at least 51% of the rentable property. YES___NO___
- Loan proceeds will not be used to remodel or convert any rental space in the property. YES___NO___

___To provide funds for or refinance leasehold improvements. *If checked, answer the following question.*

If "No" loan is not eligible.

Loan proceeds will be used to improve space occupied 100% by Applicant. YES___NO___

___To provide funds to guarantee or fund a letter of credit. *If checked, loan is not eligible for PLP.*

Special Program Requirements

___Loan is one of the following special purpose loans (*Loan is not eligible for PLP:*):

- Disabled Assistance Loan Program (DAL)
- Energy Loans as described in §7(a)(12) of the Small Business Act (Note: this does not include Loans where the borrower is purchasing, installing or otherwise utilizing equipment designed for its own energy conservation.)
- Qualified Employee Trusts (ESOP)
- Pollution Control program
- CAPLines Program (including Builders Loan Program)
- Community Adjustment and Investment Program (CAIP)

___Loan is a revolving credit. *If checked, answer the following question.*

Loan is being made under the Export Working Capital Program (EWCP) and the requesting lender has special authority from SBA to make PLP EWCP loans. (*If no, loan is not eligible.*) YES___NO___

___Loan is under International Trade Program (IT). *Answer the following questions. If "No," loan is not eligible.*

- The loan proceeds will be used solely for the purpose of 1) financing the acquisition, construction, renovation, modernization, improvement, or expansion of productive facilities or equipment to be used in the United States in the production of goods and services involved in international trade; or 2) the refinancing of existing indebtedness that was used for these same purposes that is not structured with reasonable terms and conditions. There can be no working capital provided by the loan proceeds. YES___NO___
- The small business concern is either 1) in a position to expand existing export markets or develop new export markets or 2) is confronting increased competition with foreign firms in the relevant market and is injured by such competition. YES___NO___
- Lender will take a first lien on the fixed assets financed (or re-financed) with this loan. YES___NO___
- Collateral is located in the United States, its territories and possessions YES___NO___
- Lender has reviewed the Ex-Im Bank Country Limitation Schedule (CLS) to verify that the U.S. Government has not restricted trade with any foreign country that the applicant does business with (i.e., no country is identified on the CLS by Note #7). YES___NO___

___Lender has made a personal loan to an individual for the purpose of providing an equity injection into the business.

(*Loan is not eligible for PLP.*) YES___NO___

___Applicant or Affiliates(s) has/have existing SBA loan(s). *If checked, answer the following question. If "No" loan is not eligible.*

The existing SBA loan(s) is/are current. YES___NO___

___Question 7 on any required SBA Form 912, Statement of Personal History, for this application is answered "Yes." (*Loan is not eligible.*)

___Question 8 or 9 on any required SBA Form 912, Statement of Personal History, for this application is answered "Yes." If checked, answer the following:

The application meets one of the following criteria below (which is checked): YES___NO___
(If "no," loan is not eligible for PLP.)

___Lender has received written clearance of the character issue(s) from the district or branch SBA office serving the territory where the business applicant is located.

___The charge resulting in a "yes" answer was a single misdemeanor that was subsequently dropped without prosecution and Lender has documentation from the appropriate court or prosecutor's office showing that the charge was dropped.

___ Lender is aware that the application was previously submitted to SBA under any SBA program, including SBA Express, Community Express, PLP, CLP, Patriot Express or regular 7(a). (*Loan is not eligible for PLP.*)

___ Loan will be collateralized by commercial property that will not meet SBA's environmental requirements or that will require use of a non-standard indemnification agreement. (*Loan is not eligible for PLP.*)

___ Business or any of its principals has been involved in a federal loan or federally assisted financing that defaulted and caused a loss to the Federal government or any of its Departments or agencies. (*Loan is not eligible for PLP.*)

Conflict of Interest

SBA may not provide financial assistance to an applicant where there is any appearance of a conflict of interest on the part of SBA or the Lender. All statements must be answered as "True" to be eligible.

- No SBA employee, the employee's close relative or a member of the employee's household is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True___
- No former SBA employee separated from SBA for less than one year is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True___
- No individual currently involved in a Small Business Development Center program, the individual's close relative or a member of the individual's household is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True___
- No member of Congress or an appointed official or employee of the legislative or judicial branch (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True___
- If an Associate** of the small business or member of any Associate's household is a GS-13 or higher government employee or a Major or Lieutenant Commander or higher in the military, the small business applicant has submitted to the Lender a statement of no objection by the pertinent government department or military service. True___
- No member or employee of a Small Business Advisory Council or a SCORE volunteer (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True___
- No employee of a community organization such as a certified development company or microlender (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True___
- No community organization or its officers or its directors have a significant financial interest in the Applicant unless the organization has been inactive in packaging SBA loans for at least two years prior to the application date. True___
- No Lender or Associate** of Lender has a real or apparent conflict of interest with Applicant, any of Applicant's Associates, or any of the close relatives of Applicant's Associates. True___
- No Lender or Associate or close relative of an associate of the lender has a significant direct or indirect financial or other interest in the applicant, or has had such an interest within 6 months prior to the date of the application. True___
- No Associate of a Lender is incarcerated, on parole, or on probation or is a convicted felon or has an adverse final civil judgment (in a case involving fraud, breach of trust, or other conduct) that would cause the public to question the Lender's business integrity. True___
- No Lender or any Associate of Lender has accepted funding from a source that restricts, prioritizes, or conditions the types of small businesses that Lender may assist under an SBA program or that imposes any conditions or requirements upon recipients of SBA assistance inconsistent with SBA's loan programs or regulations. True___
- None of the Loan proceeds will directly or indirectly finance purchase of real estate, personal property or services from Lender or an Associate of Lender. True___
- Neither the Applicant, an Associate of Applicant, close relative nor household member of an Associate of Applicant is required to invest in Lender. True___
- None of the proceeds of the loan will be used to acquire space in project for which lender has issued a real estate forward commitment. True___

(**Associate of a Lender is an officer, director, key employee, or holder of 20 percent or more of the value of the Lender's stock or debt instruments. An Associate of a small business is an officer, director, owner of more than 20 percent of the equity, or key employee.)

Lender hereby certifies that the above information is true and correct, to the best of its knowledge, and that it has exercised due diligence to obtain the true and correct information. Lender is aware and acknowledges that SBA review of this form is a quick look at eligibility intended to provide limited protection to SBA and the lender from making an ineligible loan on which SBA could not honor its guarantee and that if an SBA loan number is assigned and SBA later learns that the loan is not eligible, SBA still may deny liability on its guarantee.

Lender Signature: _____

Date_____

Typed Name and Title: _____